

FINAL REPORT

IDENTIFICATION OF THE LINKS BETWEEN EDUCATION LEVEL, INCOME AND ECONOMIC SITUATION OF THE MICRO-ENTERPRISES.

PRESENTED BY:

J.B. CONSULTORES, S.A. de C.V.

OCTOBER, 2001

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Executive Summary

The study is related with the information obtained from the data base of the Multipurpose Household Survey (EHPM, Spanish acronym), 1999 in the topic of education and its links with the income and the general economic situation in the micro-enterprises sector. The micro-enterprises have been characterized as productive units with 10 employees or fewer and with annual sales lower than \$68571.42 (600 thousand colones). They are divided into three productive segments: those ones of subsistence, that due to analysis reasons, has been divided into two sub-segments: that one of those who obtain a monthly profit lower than the minimum wage and those ones who obtain profit higher than the minimum wage. The other segment is that of Simple Accumulation, with monthly sales higher than \$1714.28 (15 thousand colones) but lower than \$3428.57 (30 thousand colones), and finally the Extended Accumulation Segment, with sales between \$3428.57 and \$5714.28, (30 and 50 thousand colones).

The study presents the structure of formal education received by the micro-entrepreneurs. Here it is highlighted that 21.3% does not have any year of study, though the segments with secondary and high education is 23%. Nevertheless, in the rural sector this relation is 3.6%; in this sector the micro-entrepreneurs with any year of study is 34.4%. A relation between the level of formal studies and the income level is presented, finding that the micro-entrepreneurs with more than 13 years of study have on average up to three times more of income than those ones who do not have any year of study. Similar situation is observed with the average salary level where the level with higher number of years of study doubles the average monthly salary of those ones who do not have any year of study.

Also the study presents the argument that the micro-entrepreneurs who besides not having enough time to continue studies of formal education, have adaptation problems due to age reasons which constitute an obstacle for them to incorporate to normal study plans offered by the public and private sector. The Multipurpose Household Survey does not explore this situation, however, the reality of figures of numbers of study and the virtual rejection to training (95% expressed that they did not have any interest in training) can match up with the argument for the apparent reluctance to continue the formal education.

A series of measures of education policy is suggested in order to motivate the micro-entrepreneurs to continue their formal education and training. At the end, some cases that were incorporated to the study are presented with the aim of completing it and to verify the training satisfaction of the people with the best education levels. The simple and extended accumulation do not present dissatisfaction, being this centered in the subsistence segment.

I. INTRODUCTION

The purpose of this document is to present a qualitative and quantitative appraisal between the education level of the micro-entrepreneurs, the income levels collected and the general economic situation of the micro-enterprises.

The main information base, in agreement with the Reference terms, has been the Multipurpose Household Survey (EHPM, Spanish acronym), especially the one from 1999, as the survey corresponding to 2000 was not available at the moment of developing this document. In many cases and when it has been possible comparisons between the results presented in the 1998 and 1999 EHPM have been made.

The main focus of this study is to find links between the micro-entrepreneurs education level and their income level as well as the general economic situation of the micro-enterprise. Based on the criterion included in the Multipurpose Household Survey, in which the variable "Characteristics of Education" appears within the Continuous Modules specifically as Education level which is defined as: The Stratification in accordance with the highest studied grade or school year in the regular education system. For example: pre-school (from 1 to three years of study), Basic Education (from first to ninth grade), High School (from first to second or third year of Senior High School, based on the new education system). Besides, the Continuous Module that refers to "Employment and Income" has been used.

Also the training received by the micro- entrepreneur in techniques related with their work , administration, accounting, sales as well as strictly technological aspects. The non-formal education which the micro-entrepreneurs have better access as it requires less time and effort. The formal education, on the other hand, is not commonly accessed by most of the micro-entrepreneurs as they have easier access to short courses, seminars, workshops or to receive training in their own work place.

The EHPM presents both situations. The formal education correlates with the income levels of the population in general, existing, as it is commented ahead a clear increase of the average income levels with the highest levels of formal education. In the urban area, this fact is more evident. For the second situation, the non-formal education, the same EHPM has been used in the part corresponding to the Entrepreneurial Dynamic Survey to obtain information related with the micro entrepreneurs non-formal training efforts.

The micro enterprise sector , one of the most dynamic and diverse in Latin America and the Caribbean, comprises what it is generally known as "the informal economy". Nevertheless, it does not constitute a marginal area of the economy at a local scale, nor nation-wide, neither regional. The micro enterprises are responsible not only of a

very important part of the labor force, but also that many workers decide to work in this sector because of its flexibility and the opportunities that offer to increase their incomes.

Formal education is not accessed in a common way by the generality of the micro-entrepreneurs. Normally, they have easier access to short courses, workshops or to receive training in their own work places. This situation reflected in the low education indices constitute one of the main problems that the country must overcome if they want to get into an environment of globalization and competitiveness where human capital has become decisive.

The base of information for this study has been the Multipurpose Household Survey (EHPM); specially the 1999-survey.

It must be clarified that due to the consultants' criterion reasons, for the Multipurpose Household Survey data base, an universe of 499,246 micro-entrepreneurs was used, This total does not include the sector of professionals who are doing micro-entrepreneurial activities not related with their professions. If the professionals were included, the number of micro-entrepreneurs would increase to approximately 12 thousand.

II. THE ENVIRONMENT

In this Chapter, the environment description is centered in the aspects related with the population general education, which gives us a reference framework around the academic formation of the population considered within a nation-wide level.

In general terms, the education level measured by the number of years of study presents a high correlation level with the obtained income. The EHPM details the number of years of study by the obtained monthly income categories from which true conclusions can be drawn. From the total of the studied population, which is the Productive Population of El Salvador (aged 10 years and more at the moment of the survey), it was found that from the urban part (a total of 2,786,370 people), 299,001 did not have any year of study, and only 34,969 got incomes higher than the double of the urban minimum wage (¢ 1,260 monthly) (\$144). This scarcely means 7.5% of the total of people with any year of study.

On the other extreme, always referring to the total population of El Salvador, based on the 1999-EHPM, out of 340,941 individuals that completed 13 and more years of study, obtained four times the minimum wage on average in the urban context in 1999.

Strengthen education is among the goals set by the Ministry of Education (MINED). Given that in the target groups of this study the existing and potential micro-entrepreneurs fit into the groups aged 16 and older, which is a stratum that shows the highest attrition rate (52.6%), due to the lack of opportunities and to the need of getting income, in view of the scanty family income.

The MINED has within its coverage, special programs for the Education of Youths and Adults, which can be of great importance to improve the capacity of the micro-entrepreneurs.

Historically the Salvadorian economy has been characterized by the weakness of its inter sector links and by the incapacity of the productive apparatus to employ all the population in working age. Two have been the main mechanisms that the population has used in order to generate income: i) migrate to the countries of the region and to the United States; ii) self employ in occupation of low profitability in sectors that are characterized by its easy access – particularly in commerce – which has constituted the so called informal sector of the economy. Despite its great contribution, the needs of this sector are up to now ignored or neglected. The contribution of the micro-enterprises to the Gross National Product (GNP) has been calculated approximately in 24% in the last four years; (there is not any exact calculation to this respect). It offers occupation to 38.2% of the working population of the country at a nation-wide

level, and it influences directly the life of one million 700 thousand Salvadorians.¹ Its importance for the society and the economy of the country can not continue being unnoticed.

Almost by general rule, the term micro-enterprise refers generically to the productive units of low capitalization, that function in the market under their own risk, and which generally, start from the need of their owner's survival. This definition includes the micro-enterprise properly, and the self employment.

The micro-enterprise is one of the main means of development of El Salvador. Based on the EHPM, a little more than half of the Salvadorians live in the urban areas, from which, 50% which means 31,1% of the national labor force obtain their incomes, exclusively or partially from a micro-enterprise.

Specifically, micro-enterprise is understood as the economy units that habitually hire salaried labor force, and by self-employees those who work on their own and who do not hire labor force²; it is important to take into account that these workers have relatives and other household members who are under their responsibility, who in a way or the other get involved in the activity. Due to this reason it can be said that the micro enterprise is the economic activity way that most influences in the Salvadorian society.

In El Salvador, based on the 1999 EHPM, there exist 710,610 people, men and women, working in the micro enterprises. Women represent 59.8% of the total employment generated by the micro enterprise, and men represent 40.2%.

Based on the previously stated, the micro enterprises have to be considered as productive units perfectly capable of participating as dynamic agents of the structural change and as active protagonists of the economy modernization process. Consequently, work has to be done to get an adequate integration of the micro-enterprises of the country into the new dynamics of economic development, where education and training become important generators of development, and at the same time generators of better income and life levels for each of the persons involved in the sector.

Already, the results obtained in the Survey of micro-enterprise Dynamics in the 1998 EHPM, the existence of an enormous deficit of work training was confirmed. In fact,

¹ Segovia Alex, *Diagnóstico Situacional de la Microempresa y Lineamientos Generales Para la Definición de una Estrategia*. September, 1996.

² Self-employment does not have to be confused with sub employment which is formed by people who work with a job that lasts a shorter period than normally (visible sub employment), and Invisible sub employment is formed by the people who work the normal period of time but who earn a salary lower than the minimum wage. If self employment does not give the minimum necessary to survive, then it is called potential sub employment.

only 10 out of 100 micro-entrepreneurs declared they had received some training to do their work. In the 1999 EHPM, this relation reaches a lower level, being 51,043 the total of trained micro-entrepreneurs out of a total of 499,246. In other words that relation slightly decreased to 9.8 out of each 100.

The education level of the micro-entrepreneur would be affecting their decision of getting trained, since as their level of education is improved, their disposition to receive training is higher. Figures of 1998, indicate that only 9.6% of the micro-entrepreneurs “with no level” accept to be trained. Among those ones who have reached “the highest level” this proportions gets to 35.0%³. In the 1999 EHPM, it is found that 5 out of 100 (24,583 of 499,246 micro-entrepreneurs) manifested their desire to be trained.

The low education indicators, constitute one of the main problems that the country has to overcome if it wants to get integrated in the globalization environment and competitiveness where the human capital has become decisive. The ignorance level of the most elemental for the micro-entrepreneurial development, starts at an early age, with very high education attrition indicators. Of the total population, based on the 1999 EHPM, 3,828,631 people do not study, at the same time 1,731,128 were studying at the time of the survey. Among the population who do not study, the proportion of people who do not want to study because they want to work (36.17%), and for those ones who do not study due to household causes (18.80%) is highlighted. 9.79% said that to study was too expensive. What it is important to stand out is that out of 5,559,759 inhabitants who are 4 years old and more, 68.86% do not study due to any cause⁴

III. USED METODOLOGY

From the methodology point of view, this work comprises the following aspects:

- Bibliographic analysis revision and sorting of general literature related with the micro-enterprise sector, contributions and experiences focused on increasing the income based on the professional training and formation.
- Direct information, gathered through conversations with officers and specialists from institutions related with the micro-entrepreneurial training.

³ *Encuesta Dinámica Microempresarial 1998, Table No.82.*

⁴ *1999 EHPM. Tables B02 y B03.*

- Field work, visits and conversations in situ with people that develop activities in the micro – enterprise sector.
- Evaluation and analysis of the collected information, with the purpose of validating the stated hypotheses and the obtained results with variable cross tabulations.

1. Bibliographic Study

This analysis comprises a bibliographic research, which has not been limited to strategies of vocational and technical formation; but to a much wider panorama which would allow to have an approach about the training perspectives and professional formation, oriented to the employment and income generation.

1. Used Hypotheses:

The hypotheses stated for this correlation study between the micro-entrepreneurs education level with the respective income levels, are the following:

H₁. The education level reached by the micro entrepreneur is a direct determinant of the obtained income.

H₂. The quality of teaching that the micro entrepreneur needs has peculiar characteristics, and it has to be designed specifically in the curricular contents and in the way of administrating it.

H₃. The micro entrepreneur does not have easy access to non-formal education.

H₄. The micro entrepreneur does not know the ways to have access to formal education.

H₅. The micro entrepreneur needs to be evaluated to orient the education and training that he needs.

IV. CONCEPT AND CHARACTERIZATION OF THE MICRO-ENTREPRISE

Although we can not state an unique concept of micro-enterprise, it is possible to assure that they are units of scanty occupational dimension, with a volume of limited capital and associated mainly to commercial and industrial activities. Within this segment there is a wide variety of productive units which covers from activities of family subsistence, with null accumulation possibilities to micro enterprises that produce goods within the formal market whose goal is to have profits and grow. In this sector most of them are formed by family enterprises, sole person, or small de-facto associations that have as main objective to obtain utilities based on the exploitation of the 3 personal skills of their owners; and they are created from the unemployment, privatizations, economic conversion of large and medium-sized enterprises, adjustment policies, etc. The concept of micro-enterprise is so diverse not only considering if they production processes, commerce or services, but also to the capacity to incorporate technologic innovations.

The concept of micro-enterprise comprises all the economic units that have up to 10 employees and annual sales of up to \$68571.42 (600 thousand colones) including all those ones that are subject to regulations as well as those ones which are not. The diversity of skills to face and satisfy the market demands is known as one of the central characteristics, which causes the segmentation characteristic that the micro –enterprise has.

1. Types of micro -enterprises

The productive segmentation determines three types of micro-enterprises: the subsistence segment, that groups 91.73% of the total of micro-enterprises and it is characterized by the scanty busyness utilities, serving only as income source for immediate consumption of the worker. The simple accumulation segment in which the utilities are continuous but small, so that this prevents the productive reinvestment (They are 5.79% of the total); and the segment of extended accumulation and “micro-top”, in which the surplus is enough to permit saving and investment and as a consequence possibilities of entrepreneurial growth. They constitute 1.7% of the total for 1999, based on the EHPM figures.

In the 1998-EHPM, it was found that 88.4% of micro – entrepreneurs of the country managed businesses that were located within the category of subsistence. 7.1% corresponded to micro-enterprises of simple accumulation, and 3.5% to micro-enterprises of extended accumulation.

2. Characteristics of the micro-enterprise

In its activity, the micro-enterprise gets economic and social benefits for the people that grow in it. Its activity promotes better life levels plenty of employment and progress development as well as economic and social development.

All the micro-entrepreneurial activities, being of family or individual nature, have common characteristics; they are not included in the calculation of the Gross National Product, because they do not report their sales, buying and utility activities, as the formal enterprises have to do. They are not registered as the law states; they follow economic principles at first sight "pre-capitalist"; ignoring at the same time the separation between the private and entrepreneurial sphere.

In references to the generalized characteristics in which this sector develops, the activities that form the sector are observed through the intervening factors, such as:

- Scanty capital demand, in other words with a very low quantity of capital a micro-enterprise can be started.
- They function with a low or very low level of work productivity.
- They have a limited level of technological complexity
- They technical division of work is incipient
- The qualification level of the required work is low
- Its size tends to be small, no more than ten workers and the sole-person activities (on their own account) dominate.
- The development of salary relations is very low. The non-salaried family work is used, piecework of acquaintances and of minors.
- They function in many cases out of the institutional and judicial rules that regulate the entrepreneurial activity of the formal sector of the economy.
- They tend to get incorporated in competitive markets and in weak strata of the oligopoly structure; in other cases, they generate diverse goods and services and different from those ones produced by the formal sector of the economy.
- They lack warranty capacity to access to the formal credit system.
- Although most of the activities developed by the informal sector are strongly articulated with the modern sector because it is a buyer of reinvestments and equipment, as well as it places some of the products, it depends on the variation of the salary purchasing power which drags the produced by the informal sector with its changes.

Among the main characteristics in the different types of micro-enterprises, appeared from the productive segmentation, are the following:

Subsistence:

- Its objective is to create income for immediate consumption
- Low income in relation with the needed basic products.
- Season precariousness and frequent change
- With no fixed place to develop the activity
- Small quantity of capital and equipment.
- It focuses on commerce and personal services.
- Lack of infrastructure
- Use of family of informal financing at high interest rates
- Difficult access to training
- Sole person, high number of household head women .
- Minimum education, null technical qualification, little work experience.
- Strong female presence, approximately the two thirds of the micro-enterprises of this type are conducted by women.

Simple Accumulation:

- Its objective is to generate surplus to invest and grow, not only income for consumption.
- Income only to cover costs; scarce saving
- Steady through the year
- Fixed premises for busyness in household
- It owns some capital and obsolete equipment but creatively adapted.
- They are distributed though economic activities
- It has some infrastructure for production or services
- Use of a little quantity of salaried and family labor force
- Primary education, little technical qualification; little work experience.
- There is not female predominance. Different from the micro-enterprise of subsistence, the ones of simple accumulation are conducted almost in even proportions by men (49.6%) as well as by women (50.4%).

Extended Accumulation:

- Its objective is to generate surplus to invest and grow
- Incomes with surplus for saving and investment
- Permanent, possible development of skills
- Steady premises for business different from household.
- Focused on manufacture and transportation
- It access to credits and training via NGO's, intermediaries and bank.
- Primary or secondary education, some technical formation; lot of experience.
- Male predominance, as approximately 54.2% of the micro-enterprises are conducted by men.

3. Characteristics of the micro-entrepreneur

One of the main characteristics is in relation to the school level; the case is that among the micro-entrepreneurs of the country there is a low level of training. Based on the 1999-EHPM, only 5% has received some kind of training to develop their work. A strong participation of women is observed; 78 out of 100 micro-entrepreneurs are women in the enterprises of subsistence with utilities lower than a minimum wage (¢1,260) (\$144) monthly. That percentage goes up to as the size and complexity of the micro-enterprise grows: in the next stratum of subsistence with utilities higher than a monthly minimum wage, the percentage of micro-entrepreneurial women is 53%, lowering to 47% and 32% in the strata of simple and extended accumulation respectively.

Another characteristic of the micro-entrepreneurs is that their activity mainly focuses on the urban area. Approximately 77 out of each 100 had their business in the urban zones of the country based on the 1998-EHPM. In the same survey for the next year, 1999, the urban concentration was estimated in 72%. The micro-enterprises of subsistence are located with less frequency in the urban area compared with the simple or extended accumulation. The percentages of urban location are: subsistence with utilities under the minimum: 64%; subsistence with utilities higher than the minimum wages, 80.%; Simple accumulation: 86% and Extended Accumulation or Micro-Top: 87%. This is a consequence of the population accumulation and the market concentration. The link is direct with the demand.

Maybe the most important characteristic is that among the micro-entrepreneurs there exist a majority that works on “their own account” (84 out of 100 were placed in this category in the 1998-EHPM). In the same Multipurpose Household Survey of 1999, it is stated that the micro-entrepreneurs of simple accumulation are 59% workers on their own account, in the meantime those ones of extended accumulation constitute 42%.

The concentration of the activities of the micro-entrepreneurs is strongly linked to commerce. If the productive structure of El Salvador is taken into consideration, it is observed that the sector of commerce and services has a high level of participation in the Gross National Product. The micro-enterprises of subsistence of the commercial sector are 47% and 17% of personal services; in the level of simple accumulation, 63% are commercial enterprises, and 64% of extended accumulation.

Other characteristics of the micro-entrepreneur

- Has a peculiar idea of the world and of the people around him/her
- Is a person that reacts to the circumstances, in the meantime others tend to adapt to the dominant socio economic conditions.
- One of their main aims is to get utilities
- His/her work benefits him/herself as well as the community by creating sources of employment; modest as they can be, s/he uses her/his intuitions, as s/he does not tend to have formal education related with his/her activity.
- Turns to his/her friends to state his/her doubts, though his main advisor is the experience.
- Finances the operations in an internal way as s/he considers that the bank credits are too onerous for his/her economy, that the bank processes are too long and complex.
- Tries not to expose his/her projects to unnecessary risks, but takes the natural risks of the enterprise.
- Has a big spirit of self-improvement.

4. Average profits of the micro-entrepreneurs

The same as any economic activity, the micro-enterprise has as main goal the generation of benefits or profits that would allow the micro-entrepreneur to get income to satisfy his/her basic needs.

The level of profits that the micro-entrepreneurs show is low. In the 1999-EHPM it is stated that at least 50% of the micro-enterprises obtain utilities lower than a monthly minimum wage.

In relation to the obtained sales, the micro-enterprises of subsistence with monthly sales lower than a minimum wage, constituted in 1999 26% of the total and 51% obtained utilities lower than a minimum wage. This situation identifies the sector as under employment concentration, at least those enterprises of the subsistence segment.

5. The micro-enterprise in the Sector of the national Economy

The process of economic liberation in general and the foreign opening in particular has caused an increase of the importations of any kind of goods, which at the same time has stimulated the commerce, that is precisely the main activity developed by the micro-entrepreneurs. The importance of the micro-enterprise sector in general and of the informal sector in particular has increased considerably due to factors such as: the massive closing of enterprises occurred as a result of the conflict and the economic crisis; the population displacement from the countryside to the city; the acceleration of the growth of the service sector of the economy, the crisis of the agriculture and livestock sector; and also the higher urbanization process. In this way, the micro-enterprise sector became in the 80's one of the main bastions that prevented the economy to collapse and possibly in the main employment generator of the economy.⁵

6. Contribution to the aggregate value

In El Salvador, the contribution of the micro-enterprise to the annual total sales of the sectors industry, commerce and services and the aggregate value, is high, contributing this sector 60% of the total of the sales and 52% of the total of the annual aggregated value.⁶

7. Contributions in Terms of Employment

In the mid 90's, the sector of the micro-enterprise gave work to more than half of the labor force in most of the countries in Latin America.

According to OIT, until halfway through the 90's the micro-enterprise gave approximately half of the jobs of the region, in the meantime the public sector and the enterprises with more than 10 employees only employed 44% (the remaining 6% dedicated to the domestic service)

⁵ Segovia, Alex, *Opus Cit*

⁶ Segovia, Alex, *Opus Cit*

The micro-enterprises make an important contribution to employment, the production and the national income. They are also an important means for the low income families be able to escape from poverty through productive activities controlled by the market forces.

According to 1999-EHPM, in micro-enterprises employ 710,610 people, from which 424,840 are women and 285,770 are men. The economic activity that most contributes to the generation of employment is the service one, particularly commerce, hotels and restaurants that produced this year 397,452 job positions, in other words 55.9% of the total of generated employments.

Most of the jobs are in the service sector, which includes commerce and other activities, such as health services, hotels, food, transportation, finances, education and others: 539,207 which constitutes 75.8% of the total. The manufacture is only 24.12%.

8. Women in the Micro-enterprise

A progressive increase of female economic participation in Latin America started at the beginning of the 60's, specially due to the more massive entrance of women from middle urban sectors, excluded until that moment from the productive tasks done out of their homes.

The participation of women in the micro-entrepreneurial development becomes notorious, mainly when it refers to the subsistence micro-enterprises, where women are 78%. At a general level, in other words for all the productive sectors, 59.8% of the generation of entrepreneurial jobs is for the female gender.

V. Description of the Education Level in the Micro-entrepreneurial Level

In this chapter the figures from the 1999 Multipurpose Household Survey are used in order to characterize the micro-entrepreneurial sector in its educational dimension, that is, the formation level of the individual in the process of formal education.

A. Concepts.

By formal education is understood the formal education acquired by the individual in the levels of pre-kinder, basic, secondary or senior high school,

high university and non-university education. It is, according to the contemporary experts in pedagogy, the student's provision of the culture basic instruments. The professional formation is defined as a transference process, reception, analysis and discussion of knowledge in an interactive process between the facilitator and the student. The professional formation is closely linked to the productive field and its main goal is to generate in the subjects skills and capabilities oriented to improve its domain in the production technical field. The professional formation is part of the individual formal education.

B. Findings

The micro-entrepreneurs generally are people with little or non-existing kind of formal education; according to 1999-EHPM, 22% of all the micro-entrepreneurs segments did not have not even one year of formal education. Also a similar quantity (21.7%) has studied between one and three years of school; a very high percentage, 26.4%, of the micro-entrepreneurs said they had between 4 and 6 years of study. Only 15,1% had completed between 7 and 9 years, that is, the basic level complete or almost complete. 12% of the total of micro-entrepreneurs had studied or had completed senior high school and hardly 2.6% said they had completed and passed more than 13 years of formal education.

1. Literacy level of the Micro-entrepreneurs

An interesting datum is to know if the micro-entrepreneurs consider themselves as literate or illiterate, having found the following figures:

Table No. 1

Micro-entrepreneurs by productive segment, according to literacy conditions 1999.

<i>Condition of Literacy:</i>	<i>Subsistence < 1 Min Wage.</i>	<i>Subsistence > 1 Min Wage.</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non Determined</i>	<i>Total:</i>
<i>Literate</i>	182,157	170,525	26,650	7,747	3,845	390,924
<i>Illiterate</i>	73,840	31,460	2,267	600	155	108,322
<i>Total:</i>	255,997	201,985	28,917	8,347	4,000	499,246

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

According to Table N° 1, 78.3% of the micro-entrepreneurs knew how to read and write. The difference, 21.7% was illiterate, which close to the national illiteracy rate (17.4% according to the Ministry of Education; the figure from the

99-EHPM is 18.1%). 71.1% of the micro-entrepreneurs in the first level of subsistence, that is, that one with utilities lower than a minimum wage (¢1260. monthly) said they knew how to read. In the next segment, the one of subsistence with utilities higher than a minimum wage showed 84.4% always in relation to the segment total. In the one of simple accumulation, the percentage of literate population is higher: 92.2%, and in the one of extended accumulation, where micro-entrepreneurs with high studies is normally observed (It is necessary to say that a universe of 499,246 micro-entrepreneurs was used, not having included in that total the sector of professional that are developing micro-entrepreneurial activities not related with their professions.) the percentage is 92.8% in the micro-top.

2. Micro-entrepreneurs by years of study

In relation to formal education, The absolute values for El Salvador are presented in the next table, according to the same source, separated by productive segment.

Table No. 2

**Micro-entrepreneurs by productive segment, number of years of study.1999
Total Country.**

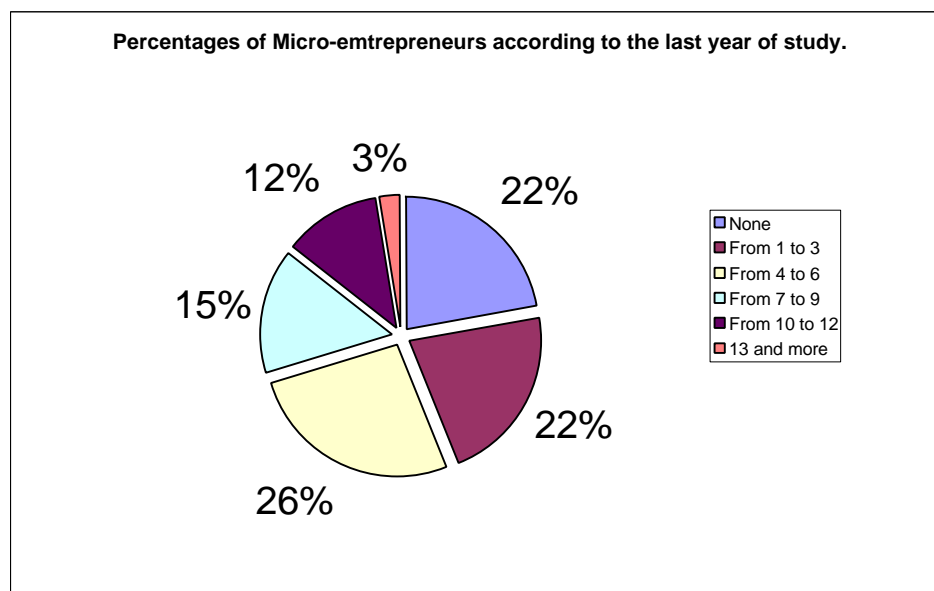
Years of study	Subsistence < 1 Min Wage.	Subsistence > 1 Min Wage.	Simple Accumulation	Extended Accumulation	Non Determined	Total:
None:	73,817	33,430	2,662	637	276	110,822
From 1 to 3	64,095	37,965	4,840	1,076	480	108,456
From 4 to 6	63,434	56,710	8,045	1,808	1,694	131,691
From 7 to 9	31,829	37,580	4,720	890	542	75,561
From 10 to 12	19,019	30,802	6,172	3,015	859	59,867
13 and more	3,803	5,498	2,478	921	149	12,849
Total:	255,997	201,985	28,917	8,347	4,000	499,246

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

In the urban level, as it may be expected, the education situation is less dramatic than in the rural area. This is due to the social and economic conditions of the rural inhabitants and the scarcity of the current education services.

The next graph shows the proportions observed in the total country

Graph No. 1



Source: Multipurpose Household Survey, 1999

In the next table, the micro-entrepreneurs by productive sector according to years of study are presented.

Table No. 3
Micro-entrepreneurs by Productive Segment according to number of years of study.1999 Total Urban.

Number of Years of study	Subsistence < 1 Min Wage.	Subsistence > 1 Min. Wage.	Simple Accumulation	Extended Accumulation	Non Determined	Total:
None:	36,806	22,280	2,248	637	202	62,173
From 1 to 3	36,009	27,749	3,933	611	360	68,662
From 4 to 6	44,927	44,190	5,774	1,729	1,440	98,060
From 7 to 9	24,529	31,626	4,243	552	442	61,392
From 10 to 12	16,737	29,011	5,931	2,846	859	55,384
13 and more	3,412	5,419	2,392	853	149	12,225
Total:	162,420	160,275	24,521	7,228	3,452	357,896

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

In can be observed in the previous table that the number of micro-entrepreneurs with any years of study is with relation to the total urban, 21.3% similar to the value consider for the total country. Nevertheless, the proportion of the segments with the education levels of high school education and high education is 23.% compared with the same relation in the rural sector, where

its is 3.6%. In this last sector, it is highlighted that the percentage of the micro-entrepreneurs with any year of study is 34.4%. That is, more than a third part of the micro-entrepreneurs in the rural area lack schooling. In the next table, the figures of the rural area are presented, always by productive segment according to number of years of study.

Table No. 4
Micro-entrepreneurs by productive segment according to Number of Years of Study.
1999. Total Rural.

<i>Number of Years of study</i>	<i>Subsistence < 1 Min Wage.</i>	<i>Subsistence > 1 Min. Wage.</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non Determined</i>	<i>Total:</i>
<i>None:</i>	37,011	11,150	414	0	74	48,649
<i>From 1 to 3</i>	28,086	10,216	907	465	120	39,794
<i>From 4 to 6</i>	18,507	12,520	2,271	79	254	33,631
<i>From 7 to 9</i>	7,300	5,954	477	338	100	14,169
<i>From 10 to 12</i>	2,282	1,791	241	169	0	4,483
<i>13 and more</i>	391	79	86	68	0	624
<i>Total:</i>	93,577	41,710	4,396	1,119	548	141,350

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

2. Levels of Utility and Income by sales in relation with education

It's one of the linking relations with a high correlation. In most of the situations the income level obtained from sales and the micro-entrepreneur's utilities, coincide with their education level (besides the received training). In the following table (Nº 5) it is observed that the higher the number of schooling years, the higher the levels of income from sales and utilities. It is interesting to point out that the income levels show higher sensibility before the size (and complexity) of the micro-enterprises. In the subsistence segment with a net income under a minimum wage; the coefficient of simple correlation (taking the median point of the number of schooling years as variable to be compared with the utilities) produces a coefficient of 84.4 in the Extended Accumulation, in the meantime the coefficient is only 62.0 in the productive segment of subsistence with utilities under a minimum wage.

According to sales, the correlation coefficients has a similar behavior, nevertheless, the level of subsistence with utilities under a minimum wage, shows a correlation of 86.1 in relation to the number of years of study, and 71.1 and 59.2 in the segment of extended accumulation. It can be inferred that the higher the number of years of study, there is a relatively higher utilities from sales if both series of variables are compared. This could mean higher productive efficiency from those who have more years of study, as the figures show.

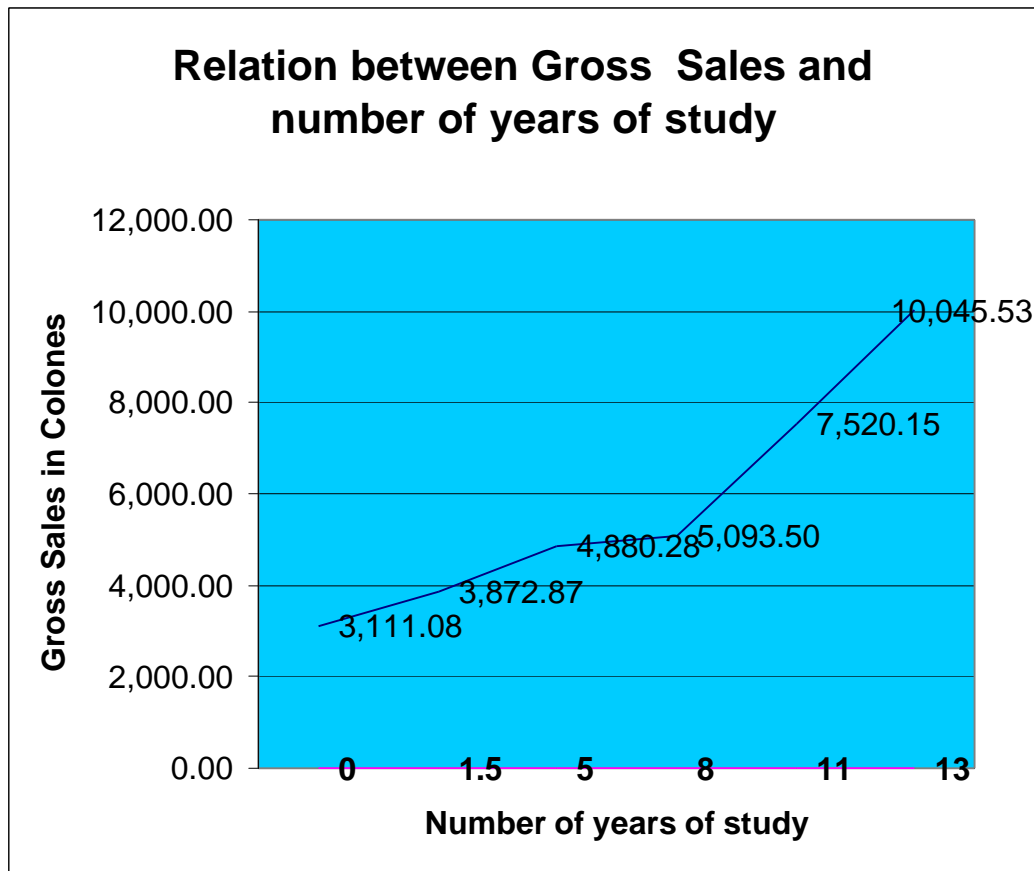
Table No. 5
Utilities and Sales by Productive Segment, according to number of years of study.1999. (Colones)

<i>Years of Study</i>	<i>Subsistence Util < 1 min wage.</i>	<i>Subsistence Util > 1 min wage.</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non Determined</i>	<i>Totales:</i>
Average:						
Average Utility:	605.24	2,459.78	5,874.36	9,237.58	104.60	1,800.00
None:	593.41	2,146.91	5,251.93	5,600.96	37.39	1,200.98
From 1 to 3	592.13	2,248.62	5,165.31	7,754.32	605.58	1,444.19
From 4 to 6	613.13	2,452.35	5,889.29	9,701.54	69.30	1,845.19
From 7 to 9	638.27	2,525.62	6,715.59	9,302.88	-	2,049.55
From 10 to 12	608.82	2,869.09	5,589.61	9,566.86	-	2,744.77
From 13 and more	616.43	3,160.28	6,986.31	10,124.42	-	3,607.77
Average Sales:	1,555.83	5,603.73	19,105.72	34,763.80	-	4,750.47
Ninguno:	1,422.20	5,111.42	18,963.31	29,090.92	-	3,111.08
None:	1,549.67	5,222.72	18,023.48	32,710.10	-	3,872.87
From 1 to 3	1,572.78	5,659.18	19,290.39	36,946.01	-	4,880.28
From 4 to 6	1,558.71	5,635.59	19,635.78	35,421.61	-	5,093.50
From 7 to 9	1,881.92	6,395.81	18,271.56	34,826.61	-	7,520.15
From 10 to 12	2,309.56	6,011.07	21,841.11	35,961.54	-	10,045.53

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

From table N° 5, it can be observed that in each interval of years of study a clear increase in the gross income level is shown, which is valid for all the productive segments. The tendency is shown in graph N° 2.

Graph No. 2



3. Access to formal education for the micro-entrepreneur

The micro-entrepreneurs access to formal education is not always easy. The data presented in tables 2, 3 and 4 shows the micro-entrepreneurs weak formation concerning formal education. The figure 85.4% of the total is highlighted considering that they have 9 or fewer years of study; also it is important the quantity of illiterate micro-entrepreneurs that according to the Multipurpose Household Survey of 1999 is 21.7%. If the age structure of the micro-entrepreneurs is analyzed, as it is presented in the next table, an important restriction will be observed for them to have access to formal education: their ages besides the generally stated problems, with their busyness.

Table No. 6
Micro-entrepreneurs by Productive Segment according to Micro-entrepreneurs' age intervals. 1999

Occupational category And age intervals	Subsistence < 1 Min Wage.	Subsistence > 1 Min. Wage.	Simple Accumulation	Extended Accumulation	Non Determined	Total:
10 to 14	518	335	80	0	0	933
15 to 17	2,143	985	0	0	0	3,128
18 to 20	6,175	2,237	369	0	0	8,781
21 to 24	16,287	7,396	628	144	205	24,660
25 to 29	26,991	21,403	1,399	904	223	50,920
30 to 39	54,701	50,979	8,902	2,894	1,075	118,551
40 to 43	56,234	60,834	8,500	2,123	1,812	129,503
50 to 59	43,978	35,814	5,359	1,445	459	87,055
60 and more	48,970	22,002	3,680	837	226	75,715
Totals:	255,997	201,985	28,917	8,347	4,000	499,246

Source: Multipurpose Household Survey, 1999. Researcher's own Elaboration.

From the previous table number 7, it is observed that the age concentration is over 25 years, ages in which the people have normally exceeded the student's average levels of basic and high school. It is important to point out, within the age structure, that in the productive segments where they could have more time to study, (simple and extended accumulation) cases of micro-entrepreneurs aged 21-24 were not registered. It is a known fact that due to adaptation reasons and available time, the micro-entrepreneurs that did not have opportunities in the average ages to finish basic or high school education, probably will not do it after having exceeded the ages that would have permitted them to complete their studies.

On the other hand, the adult education has little development in the formal education scheme. Out of the existing 264 Public Institutes of high school education, only 52 have programs of distance learning, modality that could motivate the micro-entrepreneurs' education complement. The private centers of high school education, though they are much more numerous (around 600), they do not have these programs⁷

Concluding, not only the normal problems that the micro-entrepreneur faces in his daily chores (The EHPM did not ask about the time available for other activities) but also the age constraints besides the little or non existing offer of formal education services make that a behavior of academic micro-entrepreneurs' self-improvement does not generate. Even more, if the

⁷ According to personal consultation with the "Dirección Nacional de Evaluación e Investigación", MINED

percentage of high rejection to trainings, topic that is developed in the next chapter, also affects the micro-enterprise efficiency.

VI. The capacity of the Micro-enterprise.

The capacity and the professional formation, is conceived as different moments, but integrated in the teaching-learning process of labor occupations. Formation, which usually requires more time than training, makes possible the acquisition of knowledge and the development of skills and capabilities to have an occupation position; training allows the occupation development through the acquisition of new knowledge about techniques and technology of production and commerce of goods and services. At a short term, the possibility to improve competitiveness of the human resources depends on training⁸.

The results obtained with the 1998 Survey of Micro-entrepreneurial Dynamics (Encuesta de Dinámica Microempresarial) confirm of an enormous deficit in relation to labor training, in fact, only 10 out of 100 micro-entrepreneurs declared they had received training to develop their jobs. However, in the 1999-EHPM, the situation is presented a little different, only 5% had received training. In table N° 7 the received training by economic activity and by urban and rural sector is shown.

Table No. 7 Micro-entrepreneurs who have received training, by Area According to Economic Activity.				
	Urban	Rural	Total	Percentage
<i>Industry</i>	7,916	3,397	11,313	45.0
<i>Commerce</i>	5,374	1,187	6,561	26.1
<i>Transportation</i>	1,185	79	1,264	5.0
<i>Intermediation</i>	442	80	522	2.1
<i>Services</i>	3,371	331	3,702	14.7
<i>Others</i>	1,002	774	1,776	7.1
Totals	19,290	5,848	25,138	100.0%
Composition	76.7%	23.3%	100.0%	

Source: Multipurpose Household Survey, 1999.

According to table N° 7, out of the estimated total of micro-entrepreneurs in the 1999 Multipurpose Household Survey, the proportion of micro-entrepreneurs that received training is only 5% of the total. From them 76.7% is located in the

⁸ These concepts have been taken mainly from "Needs of training", PRONAFORP, 1994.

urban sector which constituted only 23%. From all the economic activities in which the EHPM classifies the sector, the manufacturing industry has the first place in relation to training levels. Probably this is attributed to the perception that they are the ones who make the most complex activities from the technology point of view and that makes the need of receiving training visible. 45% of the total of trained ones corresponds to the manufacturing industry, followed by Commerce, Hotels, and Restaurants, with 26.1%, which although they are the most numerous economic sector, they did not receive the highest training level. The sector with less training is that of financing intermediation (2.1%).

1. Issues of the Micro-enterprise in relation to Training

The micro-enterprises appeared in El Salvador since the moment its history started to be written. Severo Martínez Peláez in his book, "La Patria del Criollo"⁹ mentions that only the raising of livestock destined to loading and target shooting generated in the first years of the colony a big quantity of craftsmen that produced, packsaddles, saddles, horseshoes, etc. During centuries the artisan tradition was transmitted from generation to generation, establishing a productive system based on family labor force. This qualified rich cultural inheritance arrived to our time in a context dominated by the big transnational or national enterprise, as micro-enterprise.

Currently, the micro-enterprises are always affected in their creation and development by functional problems that not only come from the bosom of the organization itself but also from external factors. The combination of all these factors affects this sector strengthening its vulnerability and endangering its existence. The market development itself, moved by the concentration and centralization processes, forces the micro-entrepreneur to look for adopting some technical level or some knowledge. Nevertheless, the reality of this process of technology adoption or practical knowledge is warned in the figures that are presented below.

In general, the micro-enterprises face very serious technical problems to compete with their products and place themselves properly in the market. The used production techniques are rudimentary and are mainly based on the intensive use of labor force¹⁰. The production affected fixed assets are characterized by being of a simple or rudimentary technology, generally obsolescent, and they lack an adequate maintenance. This is confirmed with

⁹ EDUCA, Editorial. 1973

¹⁰ Opus Cit, "El libro Blanco", also in "Características del Sector Microempresarial Salvadoreño", CONAMYPE, 2001.

the figures from the 1999 EHPM which presents that 78.2% of the micro-enterprises obtain their merchandise to sell it directly without value aggregating. Only 14.3% obtains reinvestments in order to transform them into different goods, with the consequent value creation.

One of the beliefs that can be perceived in the micro-enterprise sector is the scanty or null technical assistance and the inadequate training. Concerning training, though big investments have been made on the side of the State, that investment has not produced the expected impact because is not adapted to the very needs of the sector.

The efforts made until now in programs of professional formation do not satisfy the expectations of the beneficiaries as most of them are implemented on an academic base which in many cases is not accessible for them, missing in this way a very important part of their instructive richness.

The administration problems, in some way are the ones that condition the micro-entrepreneurs work in their decision making which does not come to be timely and adequate. The main people of small enterprises lack financial planning and states that would allow them to make analysis previous to the decision making. Neither do they have the necessary knowledge, nor the adequate tools to carry out an efficient financial management. On the contrary the urgency to solve the situations, generally make them behave by impulse, making decisions that can not be the correct ones.

VII. Description of the Training Level in the Micro-entrepreneurial Level

A. Use expressed by the Micro-entrepreneurs about the Received Training

In the following table, it is observed that the majority of the entrepreneurs who received some kind of training, answered that it was useful indeed, in other words, that what was learned was applied successfully in their busyness and they could see immediate results.

Table No. 8
Uses of training expressed by segment, according to Area

<i>Area and expressions of usefulness</i>	<i>Subsistence with utility < the minimum wage</i>	<i>Subsistence Util. > 1 Salary</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non determined</i>	<i>Totals</i>
<i>Urban</i>	7,940	8,973	1145	1152	80	19,290
<i>It was useful</i>	7,545	8,917	1145	1152	80	18,839
<i>It was not useful</i>	395	56	0	0	0	451
<i>Rural</i>	3,539	1,879	165	85	180	5,848
<i>It was useful</i>	3,539	1,879	165	85	180	5,848
<i>It was not useful</i>	0	0	0	0	0	0
<i>Total</i>	11,479	10,852	1310	1237	260	25,138
<i>It was useful</i>	11,084	10,796	1310	1237	260	24,687
<i>It was not useful</i>	395	56	0	0	0	451

Source: 1999- EHPM Micro-entrepreneurial Section. Ministry of Economy.

When observing the total urban and rural, it is noticed that scarcely 1.8% of all the micro-entrepreneurs that received training, said not having had any kind of benefits with what was taught. This situation happened in all the cases, in the urban area, as all the micro-entrepreneurs from the rural area expressed they were satisfied with the received training. It is interesting to notice that the expression of satisfaction from the received training happened only in the urban area, and besides, in the subsistence level with a higher frequency (72%) in the segment that obtains utilities lower than a minimum wage. Those ones from the subsistence segment with utilities higher to a minimum wage constituted 28%. Cases of dissatisfaction from the received training in the simple and extended accumulation were not observed.

Regarding the department distribution, it has to be observed that most of the expressions of non-usefulness from the received training, was found in San Salvador, (72% of all the cases of dissatisfaction); the rest shows similar proportions in Santa Ana and Usulután.

Table No.9
Expression of Training usefulness , By Urban-Rural Areas , according to economic activity.

	<i>Urban</i>		<i>Rural</i>		<i>Total</i>	
<i>Activity</i>	<i>It was useful</i>	<i>It was not useful</i>	<i>It was useful</i>	<i>It was not useful</i>	<i>It was useful</i>	<i>It was not useful</i>
<i>Industry</i>	7,590	326	3,397	0	10,987	326
<i>Commerce</i>	5,318	56	1,187	0	6,505	56
<i>Transportation</i>	1,185	0	79	0	1,264	0
<i>Intermediation</i>	373	69	80	0	453	69
<i>Services</i>	3,371	0	331	0	3,702	0
<i>Other</i>	1,002	0	774	0	1,776	0
<i>Totals:</i>	18,839	451	5,848	0	24,687	451

Source: 1999- EHPM Micro-entrepreneurial Section. Ministry of Economy.

Based on the above table, the expression that the training was not useful, centered in the industrial economic activity, followed by the intermediaries and businessmen. However, the trained ones in the industrial area were also the ones who mostly felt benefited with the received training.

B. Time that Lasted the Received Training

The 1999 Multipurpose Households Survey, also included in the questionnaire, the question about how long the received training had lasted. The answers are included in the following table N° 4 and the graph N° 1, in which it can be seen that the training that lasted less than a day did not take place, nevertheless, those ones that lasted 6 days or more have the highest frequency.

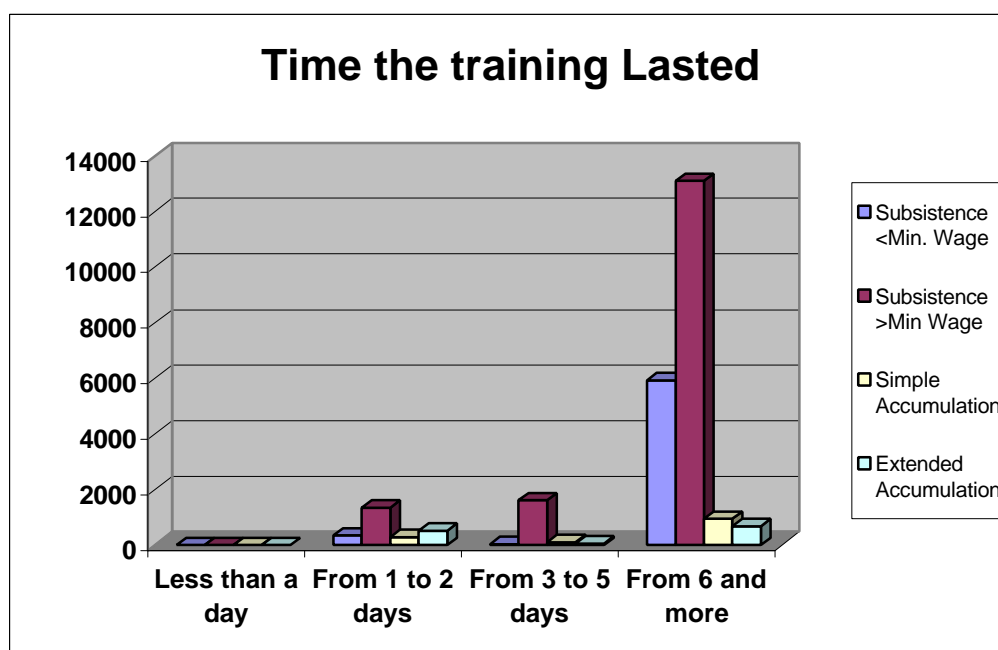
Table No. 10
Number of Training Courses Received by Segment, According to Duration.

<i>Duration of Event</i>	<i>Subsistence < Minimum wage</i>	<i>Subsistence > Minimum wage</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non Determined:</i>	<i>Totals:</i>
<i>Less than a day:</i>	0	0	0	0	0	0
<i>From 1 to 2 days:</i>	775	917	284	520	-	2496
<i>From 3 to 5 days:</i>	359	1,266	85	47	-	1757
<i>From 6 and More:</i>	10,345	8,669	941	670	260	20885

Source: 1999 EHPM.

The previous Table indicates that the enterprises which received more training courses were the ones of Subsistence with an income higher than a monthly minimum wage; the total number of training courses received by that group summed a number of 16,028 which makes the 64% of the total. In terms of importance, it is followed by the segment of Subsistence with an income lower than a minimum wage, and which received 6,303 training courses, constituting the 25% of the total. The duration of the events is concentrated in the stratum of 6 days or more, representing the 83% of the total.

Graph No. 3



C. Interest Expressed for the Training.

The Household Survey also searched among the micro entrepreneurs the interest they could have in receiving some training. The results are presented in the following table:

Table No. 11
Interest Shown for the Training by Productive Segment, According to Economic Activity. 1999.

<i>Interest in the Training:</i>	<i>Subsistence Income < 1 Salary</i>	<i>Subsistence Income > 1 Salary</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>No Determined</i>	<i>Total:</i>
<i>Economic Activity:</i>						
They are Interested:	9,439	12,350	1,841	815	138	24,583
Manufacturing	4,556	3,820	923	47	0	9,346
Commerce	2,418	5,193	753	731	138	9,233
Transport	147	576	72	37	0	832
Financ. Intermediation	158	357	0	0	0	515
Community Services	1,739	1,529	93	0	0	3,361
Others:	421	875	0	0	0	1,296
Not Interested:	246,558	189,635	27,076	7,532	3,862	474,663
Manufacturing	66,377	32,297	2,705	1,109	442	102,930
Commerce	130,402	114,370	20,807	5,332	2,672	273,583
Transport	4,015	16,373	2,770	863	346	24,367
Financ. Intermediation	2,040	2,195	108	47	205	4,595
Community Services	37,399	9,838	76	0	197	47,510
Others:	6,325	14,562	610	181	0	21,678
Total:	255,997	201,985	28,917	8,347	4,000	499,246
Manufacturing	70,933	36,117	3,628	1,156	442	112,276
Commerce	132,820	119,563	21,560	6,063	2,810	282,816
Transport	4,162	16,949	2,842	900	346	25,199
Financ. Intermediation	2,198	2,552	108	47	205	5,110
Community Services	39,138	11,367	169	0	197	50,871
Others:	6,746	15,437	610	181	0	22,974

Source: Multipurpose Household Survey, 1999.

The previous Table presents a situation that should be pointed out: Most interviewed, 95%, expressed no interest in the training, in spite of the fact that those who had already received any kind of training had expressed satisfaction with the results obtained. Concerning the segments, within the Subsistence micro

enterprises with an income lower than a minimum wage, the percentage of the same ones which show no interest in the training is the 96.3%, very similar to the ones in the next stratum, the Subsistence micro enterprises with an income higher than a monthly minimum wage which observed 93.9%. As expected, that percentage diminishes as the size of the micro enterprises grows; however, it is always high. Among the Simple Accumulation micro enterprises, the percentage of the uninterested ones is 93.6%; and in the ones of Extended Accumulation, it is 90.2%.

The greatest interest in the training is shown by the enterprises devoted to intermediation with a 11.1%; and the least interested are the commerce and the transportation micro enterprises with similar percentages, 3.3% each.

D. Payment for the Cost of the Training Received.

During the development of the trainings, the Multipurpose Household Survey found out about the source of payment for the training courses received by the micro entrepreneurs. The incidence by productive segment and by urban and rural areas is shown in the next Table.

Table No. 12
Micro entrepreneurs Receiving Training By Productive Segment
According to Whom paid for the Training. 1999.
(Percentages)

Who Paid for the Training:	Subsistence Lower than 1 Sal.	Subsistence Higher than a 1 Sal.	Accumulation Simple	Accumulation Extended:	Total:
Urban:	100%	100%	100%	100%	100%
Employer	0%	15%	53%	3%	19%
Employee	0%	6%	6%	43%	22%
Others	100%	79%	41%	54%	59%
Rural:	-	100%	-	-	100%
Employer	-	-	-	-	-
Employee	-	-	-	-	-
Others	-	100%	-	-	100%
Total:	100%	100%	100%	100%	100%
Employer	0%	14%	53%	3%	19%
Employee	0%	6%	6%	43%	21%
Others	100%	80%	41%	54%	60%

Note: In the boxes without data, the base used does not present an answer, although training was received in those segments.

Source: Multipurpose Household Survey, 1999. Own Preparation. CONAMYPE.

It is important to point out that the payments for the received training by the rural area is completely made by third-parties. This does not happen in the urban area, where 59% of the cases are paid by third ones, 19% by the employers and the 22% by the employees. It is also expected to have the employers pay for the training when the size of the enterprise is bigger. However, that did not happen among the ones of extended accumulation, in which the situation is the opposite being the employees who paid the cost of the training in 43% of the cases. The employers only paid in 3% of the cases. 54% of the training courses received were paid by third-parties in the segment of extended accumulation. The training paid by third-parties was given by a great number of institutions being the most important source the public institutions with a 35.4%; they were followed by the Associations and the Non-Profit-Making Foundations which keep training programs for the micro entrepreneurs with 33.6% of the total. Another important source for the training is that given by the families, with 16%. Participation by area, sex and occupation category is shown in the following Table.

Table No. 13
Percentage of Enterprises receiving training by area, sex, and category according to responsible institutions.

Institution	Total:	Urban	Rural	Male	Female	Own Account	Employer
NGO's	33.6	30.7	44.2	47.6	19.6	31.0	43.6
Government	35.4	37.1	29.6	19.8	51.5	38.7	23.7
Academies	3.0	3.4	1.5	2.5	3.5	3.1	2.7
Enterprises	9.0	8.3	11.4	5.3	12.8	9.0	9.2
Families	16.0	16.7	13.4	22.4	9.3	14.8	20.9
Others	1.5	1.9	0.0	2.2	0.7	1.9	0.0
N. D.	1.4	1.6	0.0	0.3	2.6	1.8	0.0
Total:	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Characteristics of the Salvadorian Micro-entrepreneurial Sector, 1999. CONAMYPE.

E. Area of the Training Received.

The Multipurpose Household Survey found out the areas in which micro entrepreneurs received some training. It is important to point out that the micro enterprises of Subsistence segment with an income higher than a minimum wage appear with the highest percentage for trainings received (see Table No. 8) with 63.7%; they are followed by the Subsistence micro enterprises with an income lower than a minimum wage, with 25.1%, highlighting that the Subsistence segment group represents a high concentration of the trainings with 88.8% of the total. Simple accumulation micro enterprises participated only of 5.2% training courses in 1999, understanding that there exists certain logic in relation to its composition within the total. The Extended accumulation ones presented 4.9% of

all the trainings received. If the number of trainings received by each segment is compared with its size, it can be seen that the relationships are different: Only 2.4% of the total of subsistence micro entrepreneurs with an income inferior to a minimum wage, received some kind of training. 7.8% of the subsistence segment with an income higher than a minimum wage received training; in the simple and extended accumulation the percentages were 4.3% and 14.2% respectively. On average, only 5% of all the micro enterprises received some kind of training.

Table No. 14

Micro entrepreneurs by productive segment, according to the area of the Training Received.

AREA OF THE TRAINING RECEIVED	Subsistence Lower than a minimum wage	Subsistence Higher than a minimum wage	Simple Accumulation	Extended Accumulation	Total:
Administration	489	796	138	404	1,827
Carpentry	210	848	--	--	858
Sales	670	1,212	309	--	2,191
Tailoring and dress-making	5,892	549	--	--	6,441
Bookkeeping	34	-	--	--	34
Cookery	0	51	53	--	104
Handicraft	622	25	--	--	647
Technical	767	2,843	117	266	3,993
Plumbing	0	177	--	--	177
Office equipment	0	--	85	--	85
Bakery	152	496	160	47	855
Cosmetology	1,393	1,252	144	--	2,789
Driving	--	197	--	--	197
Industr. machinery manag	80	--	--	--	80
Design, Installation, fixing	138	908	25	--	1,071
Nursery	331	118	--	--	449
Professional services	--	--	--	260	260
Plastic Arts	117	500	--	--	617
Naturopathy	--	132	--	--	132
Shoe manufacturing	237	48	--	--	285
Photography	38	69	--	--	107
Agricultural activities.	309	831	279	260	1,679
Totals:	11,479	10,852	1,310	1,237	25,138
Absolute Percentages:	45.7%	43.2%	5.2%	4.9%	100.0%
Relative Percentages:	4.48%	5.3%	4.5%	14.8%	5.0%
Source: Multipurpose Household Survey, 1999. Researcher's own elaboration.					

In the previous Table, No. 15, it can be observed that the tailoring and dress-making trainings are the most numerous ones with 25.6% among all the reported events; they are being followed by the assorted technical training with 15.9%; cosmetology is the third area among the training programs with 11.1%; the sales training represented 8.7%; the administration topics followed with 7.3%; and the agricultural activities and the industrial machinery fixing with 4.2% and 6.7% respectively.

E. Micro entrepreneurs' Disposition to Pay for the Training

The disposition to pay for their own training was also investigated by the 1999 Multipurpose Household Survey. Although most of the training courses received have been free as shown in letter D, where less than 70% of the training events have been offered by NGO's and public institutions and from which it can be over understood that they are either free or very cheap; there is still a tendency on the micro entrepreneurs' part to express the lowest possible value.

Table No. 15

Micro entrepreneurs by Productive Segment Able to Pay According to Amount Settled per Training day, 1999.

DISPOSITION TO PAY: (Colones)	Subsistence < 1 Maximum wage	Subsistence > 1 Minimum wage.	Accumulation Simple	Accumulation Extended	No Determined	Total:
<i>Lower than 10</i>	3,272	2,741	534	0	0	6,547
<i>Between 10 and 20</i>	1,966	3,528	283	117	0	5,894
<i>Between 21 and 30</i>	403	1,301	0	51	0	1,755
<i>Between 31 and 50</i>	142	539	141	0	0	822
<i>Between 51 and 75</i>	0	53	78	0	38	169
<i>More than 75</i>	0	604	0	84	0	688
<i>Country Total :</i>	5,783	8,766	1,036	252	38	15,875

Source: Multipurpose Household Survey, 1999. Own Preparation.

F. Micro entrepreneurs who received training by Segment and according to Developed Economic Activity.

Examining the relation between the Micro enterprises Economic Activity and the Productive Segment, it has been found that the highest number of training courses was received by the manufacturing activity showing 45% of the total. It is followed in importance by Commerce, with 26.1%; and the Community Services, third in importance, with 14.7% of the total. It is also important to point out that practically all the training received by the manufacturing activity is concentrated in the subsistence micro enterprises with 42.7% of the total of enterprises that received training during 1999.

Table No. 16
Micro entrepreneurs who Received Training by Productive Segment
According to Developed Economic Activity . 1999.

<i>Economic activity</i>	<i>Subsistence < 1 Minimum Wage</i>	<i>Subsistence > 1 Minimum Wage.</i>	<i>Simple Accumulation</i>	<i>Extended Accumulation</i>	<i>Non Determined</i>	<i>Total:</i>
Total Country:	11,479	10852	1,310	1,237	260	25,138
Manufacturing	7,541	3,191	369	132	80	11,313
Commerce	221	3,441	582	664	180	6,561
Transport	0	823	181	260	0	1,264
Intermediation	1,758	267	34	0	0	522
Community Services .	1,758	1,800	144	0	0	3,702
Other:	265	1,330	0	181	0	1,776
Total Urban:	7,940	8,973	1,145	1,152	80	19,290
Manufacturing	5,009	2,571	289	47	0	7,916
Commerce	1,178	2,955	497	664	80	5,374
Transport	0	744	181	260	0	1,185
Intermediation	141	267	34	0	0	442
Community Services.	1,427	1,800	144	0	0	3,371
Other:	185	636	0	181	0	1,002
Total Rural:	2,425	2,993	165	85	180	5,848
Manufacturing	1,934	1,218	80	85	80	3,397
Commerce	0	1,002	85	0	100	1,187
Transport	0	79	0	0	0	79
Intermediation	80	0	0	0	0	80
Community Services.	331	0	0	0	0	331
Other:	80	694	0	0	0	774

Source: Multipurpose Household Survey , 1999. Researcher's Own Elaboration.

H. Micro entrepreneurs' Access to Education.

Briones ¹¹ attributes the low level of education observed among micro entrepreneurs to the “ impossibility to continue within the educative system as a consequence of the family economic capacity to support their education, or as the result of a more or less forced option coming out of the family help processes within the subsistence sector which prevent many youths from studying and push them into the business world.”

Access to formal education has been found to be difficult for the micro entrepreneur. The obstacles mainly faced, as mentioned in the previous paragraph, have been the economic condition, the lack of time, as well as the micro entrepreneur age as shown in the Table corresponding to age.

The problems faced by the micro entrepreneurial sector with regard to the development process of the human capital are varied. El Libro Blanco de la Microempresa details a series of difficulties faced by micro entrepreneurs in relation to formal and non-formal education. The referred problems are:

- Entrepreneurs in general, have the perception that attending training (and education) activities is more a waste of time than a valuable investment for the enterprise.
- Structural difficulties such as illiteracy prevents many times from applying methodologies that ease learning and allow individual feedback afterwards.
- As an effect of the multiple training actions carried out in the past, there exists an attitude of dependence on the entrepreneur's part, and even the hope to receive some payment for his/her attendance to the training.

I. The scarcity of a Specialized Education Offer.

The micro entrepreneur unknowns the steps to approach education institutions. The Multipurpose Household Survey does not have indicators which allow to measure the way how a micro entrepreneur could know formal education means (such as distant learning). A direct investigation in the Ministry of Education clearly indicated that there are no mechanisms of information to bring micro entrepreneurs to education institutions, particularly to the centers which offer distant learning; that is to say, that they have to attend classes only on Saturday and Sundays. If that system of communication does not exist, it is easy to understand why the micro entrepreneur does not know about it.

¹¹ Briones, Carlos *Microempresa y Transformación Organizacional*, FLACSO. Pp 78

Another restriction is that almost only 4% of training institutions have as a specific objective to assist the micro enterprise." There is an institutional offer deficit on education and training for the micro enterprise." (Libro Blanco de la Microempresa, page 97). The same source indicates as the main cause for the lack or little offer "the financial amount based on assistance or international cooperation continues to be fundamental for the implementation of most programs or training. "....because it is an indicative that now the training activities are not self-financing". To this panorama, it should be added that the tendency in the reduction of the international aid is noticeable.

It seems as if besides the programs that provide financial intermediation together with the micro enterprise, and that can finance training activities concerning credit management and other entrepreneurial formation activities, the rest of the training institutions face great difficulties to be self-financing.

The INSAFORP (Spanish acronym) (Salvadorian Institute of Professional Formation), a governmental institution, which counts on resources to offer training courses, by law, has to attend a sector whose size is superior to that of the micro enterprise, including the extended accumulation ones; this constitutes a legal barrier which affects the institutional training offer to the micro entrepreneur.

Some other problems that concern to the offer of education services to the micro entrepreneur are cited in the same source as follows:

- Training technical facilitators lack specialized technical formation.
- Identification methods to diagnose necessities are hardly used; therefore, it is difficult to determine the exact formation and training problems. Thus training plans which can clearly respond to these necessities are hindered.
- In terms of the curricula offered, they have different origins. On the one hand, some institutions develop some predefined contents for their users during their training activities and which have to be accepted by them. Others, more organized ones, try to develop diagnostic processes from which the contents are identified and defined; and from which training plans are also structured.
- Concerning the materials, there is a variety of them going from the very formal artistically designed ones, to the most informal unattractive designs full of certain kind of authentic "popularity", but some times not much.

- The methodology used in the training is heterogeneous and in very rarely cases adequate to the socio-economic cultural profile of the micro entrepreneur. Most of the time, the methodological aspect of the micro entrepreneurial training activities is a reproduction of a "schooling" schema with techniques used in formal education.
- The inflexibility and little relevance of the training offer is partially explained by the existence of few human resources highly qualified for the training. Many of the "facilitators" are people interested in carrying out the training, but who lack technical formation in the field of adult education (Andragogía). It should be recognized, however, that during the last four years, there has been the wish to become more technical in the training actions. As a result of this effort, there can be seen better structured training courses and seminars in the aspects of entrepreneurial management. Unfortunately, this is not a uniform effort.
- The planning is conditioned on the resources they count on, and the one in charge of the training does not have access to the budget administration. The flux of information and communication is deficient. The promotion is considered inadequate; therefore, it is necessary to adequate the promotion to the objectives. Also the attention on the duplicate action problems of training in geographic areas was focused.
- There is lack of ideal personnel for the professional formation; therefore, creating institutions to prepare facilitators and evaluate them was considered important.
- The diversity of materials and methodologies used during the micro entrepreneurial training allows neither to visualize a development strategy nor to establish a global evaluation of the results. In some cases, the lack of impact measurement indicators does not allow to know exactly the results in relation to the invested effort.
- The schedules in which the training activities are programmed, most of the time respond to the convenience and interests of the training institutions without taking into consideration the micro entrepreneurs' available time.
- In many cases, the cost for the training activities is not accessible for the micro entrepreneurs.

- Usually, the training organizations establish differences neither in the methodology nor in the contents, or the cost micro entrepreneurs should pay according to the different micro entrepreneurial sectors they belong to.¹²

From the previous considerations, it can be inferred that there does not exist an organized or systematized organization to fulfill the micro entrepreneurs' necessities of professional formation. It is important to mention that recent efforts by CONAMYPE (Spanish acronym) (A study prepared by FEDISAL, 1999) such as Training Plans and Technical Assistance to the Different Levels of the Enterprise MYPE have as a goal to overcome the deficiencies pointed out.

The arguments presented in the Libro Blanco de la Microempresa, confirm that before designing the plans oriented to the MYPE (Spanish acronym) sector, the micro entrepreneur should be previously evaluated on his/her socio-economical condition, time availability, economic capacity, and specially on his/her education necessities whether formal or of training.

J. Interviews carried out among Micro entrepreneurs.

In Appendix 1, a specific panorama of a chosen micro entrepreneurs' group who has received training especially focused on the micro enterprise in different centers is presented. The group was chosen to prove how the training received has been used to improve their entrepreneurial efficiency and how this has turned into a higher income level. 25 micro entrepreneurs were chosen from a list provided by institutions with permanent training programs for micro entrepreneurs. From them, 18 micro entrepreneurs could be interviewed. All of them belong to different segments but to the lower level Subsistence one. Among the interviewed micro enterprises, there is not any with an income lower than a monthly minimum wage. Some conclusions came out from these interviews, which can be the bases to focus the training on aspects such as schedules, topics and methodologies.

VIII. POLICIES PROPOSAL TO IMPROVE THE ENTREPRENEURIAL MANAGEMENT QUALITY.

In this chapter, some proposals are presented. They are aimed at contributing to the generation of a training strategy for the micro entrepreneurs belonging to the different segments, areas, and economic activities. These depart from the following premises taken from: the bibliographic references, people's opinions

¹² All these considerations have been taken mostly from the Libro Blanco de la Microempresa.

related to the micro enterprises development, and from own opinions based on interviews to micro entrepreneurs.

A. Premises:

1. Micro entrepreneurs, especially the ones in the Subsistence segment, do not have time to receive training, such a situation can be perceived when observing that in 1999 among all micro entrepreneurs only 5% had received some kind of training. Therefore, it is necessary to fully identify the main causes for the almost no attendance of micro entrepreneurs in the training programs.
2. Due to the activity proper to a micro entrepreneur which demands his/her presence in the place of work, the micro entrepreneur has to choose between the training effectiveness and the loss of sales as a result of his/her absence from his business.
3. The micro entrepreneur must be informed about the training benefits. Usually he/she does not know the scope of a systematized process to improve his/her knowledge, and consequently, his/her income level.
4. The situation pointed out in the previous statement is more frequently found in administrative, accounting and marketing areas since they have a better knowledge of the benefits of being trained in technical areas related to the production or benefits of a service.
5. There does not exist a well-organized national training system. Although there are worthy efforts, the variety of approaches, also of specialized training institutions, and the lack of a continuum in the process are common characteristics.

B. Proposals:

1. It is necessary to establish a NATIONAL EDUCATION AND TRAINING POLICY FOR THE MICRO ENTREPRENEUR. This effort would carry out the generation of a variety of programs oriented toward the different productive segments, since they show dissimilar characteristics and necessities.
2. Within the National Education and Training Policy for the Micro Entrepreneur, a plan including the topics to be integrated within a curriculum should be created by a technical team. This would be integrated by experts

in pedagogy, specialists on micro enterprises, micro entrepreneurs, and NGO's and public institution technicians such as CONAMYPE and INSAFORP to design a series of programs that can be adopted by the institutions offering training services, in which it is observed neither an order nor a systematization that provide the micro entrepreneur a training that allow him/her an entrepreneurial development according to the competitive level demanded by the society.

3. The adoption of education and training programs in the different areas will contribute to improve the teaching quality. This could eventually require of a system of accreditation centers, and of an academic registry which permit micro entrepreneurs to carry out a more efficient job and to standardize the training quality, now disperse, and different in quality, depth and discontinuity. The training programs should offer levels or grades so that those with more access difficulty , such as the Subsistence segments, can receive the basic training by other means such as distant education, so successful in many countries, and different from the traditional ones.
4. To prepare the education and training national programs, it will be necessary to carry out a diagnosis specifically focused on the necessities of every segment in every economic area activity. The experience gained by INSAFORP through its Labor Market Observatory (OML, Spanish acronym) could be used to design a distant education strategy with the help of the special programs of the Ministry of Education, such as APREMAT, understanding that the best subjects to receive the training are those micro entrepreneurs who have more basic and general knowledge.
5. In its micro entrepreneurial module, the EHPM offers basic information adequate to begin the curricular design oriented to the sector. The general premise are already known. The training program should contain a system that approach the micro entrepreneur both to the instructor's task and to the training.
6. The distant education modality should be analyzed and adapted to the necessities and reality of our country, taking into consideration the great importance of the micro entrepreneurial sector in its product, employment and income.

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Appendix “A”

EXPOSITION OF CASES OF MACRO ENTREPRENEURS WHO RECEIVED TRAINING.

Note: these cases were searched to know the micro entrepreneurs' opinions concerning the training received. They were chosen from a list of people who had received training in different institutions. 18 cases were investigated, and the results are presented as follows:

CASE No. 1

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. José Antonio Caballero, 43 years old, married, there are four members in his family group. He resides in San Salvador. He is a fourth-year Law student. He has run his own business for 21 years. He decided to open it upon self initiative.

ENTERPRISE DATA:

Name: IMPRESOS TRICOLOR “, it is part of the printing and serigraphy sector; it was established in San Salvador in 1978. His current sales conditions vary between \$4,571.43 USA dollars (¢40,000.00 Salvadorian colones) and \$5,714.29 USA dollars (¢50,000.00 Salvadorian colones) a month.

TRAINING RECEIVED:

He found out about the courses offered by FUSADES-PROPEMI (Spanish acronym) on the newspaper. He received the seminar on TECHNIQUES ON SERIGRAPHY, FINANCES, AND PERSONNEL (Técnicas de Serigrafía, Finanzas y Personal) in FUSADES. The courses lasted about a week; it cost \$285.72 USA dollars (¢2,500.00 colones), personally paid.

TRAINING IMPACT:

According to his opinion, the training received has helped him to train the new personnel in his enterprise; as a result, they do a better job concerning technical aspects (the use of the ink and colors). As a result of the treatment received, he has observed that the personnel feels more comfortable; there is also a better discipline, and more cooperation. His income has increased, and he believes he manages his finances better. He would interested in receiving another training seminar, but a mid-

term one, related with technical aspects. He would also recommend other colleagues to receive training courses as he has done. He thinks that the instructors, the methodology, the contents, and the schedules were all fine.

CASE No. 2

MICRO ENTREPRENEUR'S GENERAL DATA:

Mrs. Miriam del Carmen de Henríquez, 45 years old, married, her family group is formed by four people; she resides in San Salvador; she has worked in her micro enterprise for 7 years, which she established upon self initiative.

ENTERPRISE DATA:

Name : "CONFECCIONES MIRIAM", which forms part of the Dress-making sector. This micro enterprise was established in San Salvador in 1978. Her sales are within the range of \$1,714.29 USA dollars (15,000.00 colones) a month. It can be classified within the Subsistence segment with an income higher than a minimum wage. (Higher than \$144.00 USA dollars a month). (¢1,260.00 colones)

TRAINING RECEIVED:

She found out about the courses offered by FADEMYPE (Spanish acronym) from a friend. She received the HAUTE COUTURE course in FADEMYPE whose cost was of \$57.14 USA dollars (¢500.00 colones) paid for herself, and which lasted two months.

TRAINING IMPACT:

In her opinion, the training received has benefited the quality of the confection of the clothes both in the design and the final product. She would be interested in receiving other courses on dress-making and dress patterns technical aspects the. She would also recommend other colleagues to receive training as herself. She considers the instructors as well as the methodology fine; however, she would rather the schedules be on Saturdays from 2:00 to 6:00 p.m.

CASE No. 3

MICRO ENTREPRENEUR'S GENERAL DATA:

Mrs. Thelma Alfaro, 46 years old, single, her family group consists of three people. She resides in San Salvador. She is a third-year Psychology student. She has worked on her micro enterprise for three years, which she established upon self initiative

ENTERPRISE DATA:

Name : CONFECCION A LA MEDIDA, it belongs to the dress-making sector; it was established in San Salvador in 1997. Her present sales are within the range of \$1,714.29 USA dollars (¢ 15.000.00 colones) a month. It can be classified within the Subsistence segment, with an income higher than a minimum wage. (Higher than \$144 USA dollars a month) (¢ 1,260 colones).

TRAINING RECEIVED:

She found out about the courses offered by ADT, ASI and FADEMYPE (Spanish acronyms) on the newspaper. She received the Technical Administration courses (cursos Administrativos Técnicos) in the institutions mentioned above. The courses lasted from one to four months, and the cost was \$113.89 USA dollars (¢ 1.000 colones), personally paid.

TRAINING IMPACT:

In her opinion, the training received has helped her to improve not only her working techniques but also administrative aspects. Besides, personal aspects such as a better motivation and more qualification have also improved. She would be interested in receiving other courses related with administrative and technical aspects. She would also recommend other colleagues to receive training courses. The instructors, the methodology as well as the schedules are fine in her opinion..

CASE No. 4

MICRO ENTREPRENEUR GENERAL DATA:

Mrs. Eleonora de Escalante, 55 years old, married, there are four members in her family group. She resides in San Salvador; she is a secretary. At present, she studies English, and has run her own enterprise for four years, which she established upon self initiative.

ENTERPRISE DATA:

Name : “B’NOR-DESIGNER FASHION “; it belongs to the Dress-Making sector. It was established in San Salvador in el 1997. Her sales are not over the \$1,714.29 USA dollars (¢ 15.000.00 colones) a month. It can be classified within the Subsistence Segment with an income higher than a minimum wage. (Higher than \$144 USA dollars a month) (¢ 1,260 a month)

TRAINING RECEIVED:

She found out about the courses offered by ASI, ANEP, INSAFORP (Spanish acronyms) by telephone. She received the HAUTE COUTURE (Alta Costura) and ADMINISTRATIVE ASPECTS (Aspectos Administrativos) courses at the previous mentioned Associations. The courses had a duration of four months and the cost range was \$114.29 USA dollars (¢ 1.000 colones) paid on her own.

TRAINING IMPACT:

In her opinion, the training received has offered her some benefits to improve the technical aspects as well as the quality control, and the process for dress-making, and also her income per sales. She would be interested in taking other courses related with technical, administrative and other aspects. She also recommends other colleagues to take training courses. The instructors, the methodology and the schedules were fine for her.

CASE No. 5

MICRO ENTREPRENEUR GENERAL DATA:

Mrs. Beatriz Rosales, 37 years old, single; there are three people in her family group. She resides in San Salvador, and counts on Communication studies. She has run her own micro enterprise for 8 years, which she established by chance.

ENTERPRISE DATA:

Name : “EDITORIAL ARCO IRIS “, it is part of the Book Printing sector. It was established in San Salvador in 1993. Her present sales are within the range of \$3,428.57 USA dollars(¢ 30.000 colones) a month. It can be classified within the Simple Accumulation segment.

TRAINING RECEIVED:

She found out about the courses offered by the Cámara de Comercio y ACACES, directly from the offerers. She received the courses SALES, MARKETING and BOOKKEEPING (VENTAS, MERCADEO y CONTABILIDAD) at the already mentioned Associations. The course lasted three days and the cost was \$17.14 USA dollars (¢ 150.00 colones) paid on her own.

TRAINING IMPACT:

In her opinion the training received has helped her to carry out her tasks in a better way; the income per sales is higher; she considers she controls the marketing aspect in a more efficient way thanks to the up date techniques. She would be interested in receiving other courses related to marketing aspects. She would also advise her colleagues to take courses as she has done. The instructors and the methodology are fine. Concerning the duration of the courses, she considers they are too short, but the schedules are accessible.

CASE No. 6

MICRO ENTREPRENEUR GENERAL DATA:

Mrs. Esperanza García, 55 years old, non-married partner, her family group consists of one member. She has run her own micro enterprise for five years, and established it upon self initiative.

ENTERPRISE DATA:

Name : “CONFECCIONES LARISSA“, Dress-Making sector. It was established in San Salvador in 1996. Her sales are no higher than \$1,714.29 USA dollars (¢15.000.00 colones) a month. It can be classified within the Subsistence segment, with an income higher than a minimum wage. (\$144 USA dollars a month). (¢ 1,260 colones)

TRAINING RECEIVED:

She found out about the training as a FADEMYPE member. She received the course ADMINISTRATION TECHNIQUES (TECNICAS ADMINISTRATIVAS) at AMPES and FADEMYPE. Although the cost of the courses was variable, it was accessible.

TRAINING IMPACT:

In her opinion, the training received has helped her to organize herself in a better way to be a better micro entrepreneur. The relationship with her employees has improved, and the production technical aspects have increased. She would be

interested in receiving other courses related with technical aspects of design. She would also recommend other colleagues to receive training courses as herself. She thinks that the instructors, the methodology and the schedules were fine.

CASE No. 7

MICRO ENTREPRENEUR'S GENERAL DATA:

Mrs. Maritza Melara, 34 years old, married, her family group consists of four members. She resides in San Salvador; she counts on high school studies. She has run her micro enterprise for 3 years, which she established upon self initiative.

ENTERPRISE DATA:

Name : "LIBRERÍA Y PAPELERIA ESPAÑA", Bookstore sector; it was established in San Salvador in 1998. Her present sales are \$1,714.29 USA dollars (¢ 15.000.00 colones) a month, approximately. It can be classified within the Subsistence segment with an income higher than a minimum wage. (Higher than \$144 USA dollars a month) (¢ 1,260 colones).

TRAINING RECEIVED:

She was invited by CONAPES, FADEMYPE; she received the courses SALES, BOOKKEEPING, CUSTOMER'S ATTENTION, PUBLIC RELATIONS (VENTAS, CONTABILIDAD, ATENCION AL CLIENTE, RELACIONES PUBLICAS), and others. The courses lasted a month, and they were free.

TRAINING IMPACT:

The training received has helped her to improve her enterprise; however, the sales have not increased. She would like to receive other courses also related with sales, costs and RR.PP. She also recommends other colleagues receive training courses. She thinks that the instructors, the methodology and the schedules were excellent.

CASE No. 8

MICRO ENTREPRENEUR'S GENERAL DATA:

Mrs. Gloria Aminta Hernández, single, 40 years old; her family group consists of four members. She resides in San Salvador. She has studied ninth grade, and at the moment she is studying English. She has run her enterprise for 6 years, which was established upon self initiative.

ENTERPRISE DATA:

Name : MODAS “GLORIA”, it is part of the Dress-Making sector; it was established in San Salvador in 1995. Her present sales are not over the \$1,714.29 (¢ 15.000.00 colones) a month. It can be classified within the Subsistence segment, with an income higher than a minimum wage. (Higher than \$144 a month) (¢ 1,260 colones)

TRAINING RECEIVED:

She found out about the courses offered by FADEMYPE thanks to one of her customers. She received the HAUTE COUTURE course (ALTA COSTURA), at ASI, (Spanish acronym). The training lasted four months, and it cost between \$57.14 and \$114.29 USA dollars. (¢ 500.00 a ¢ 1.000.00 colones)

TRAINING IMPACT:

In her opinion the training has helped her improve technical aspects such as the final product, the dress pattern and the dress making. She also thinks that the attention to her customers is better, and the employees feel better after the course. She recommends other colleagues to receive training courses as well. She considers both the instructors and the methodology were fine, but she would rather the schedules be from 2:00 to 6:00 p.m.

CASE No. 9

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. Luis Vásquez López, 47 years old, married; there are three members in his family group. He resides in San Salvador, and counts on university studies. He has run his micro enterprise for 14 years, which was established upon self initiative.

ENTERPRISE DATA:

Name: “EDITORIAL LIS”, it belongs to the Printing Books sector. It was established in San Salvador in 1987. His present sales range between \$4,571.43 and \$5,714.29 dollars (¢40.000.00 a ¢50.000.00 colones) a month. This is a micro enterprise within the Micro Top, or Extended Accumulation.

TRAINING RECEIVED:

He found out about the courses offered by FUSADES-PROPEMI in the newspaper, and he received the BOOKKEEPING, SALES AND ADMINISTRATION seminar (CONTABILIDAD, VENTAS Y ADMINISTRACION), at FUSADES. The course lasted a month and the cost was \$57.14 dollars (¢ 500.00 colones) personally paid.

TRAINING IMPACT:

As a result of the training received, he has observed more efficiency among his employees, a better organization in the bookkeeping, and the sales team; also the process of working orders has improved. He would be interested in receiving other courses always related with administrative aspects. He recommends other colleagues to receive training. He considers the instructors, the contents, the methodology, and the schedules fine.

CASE No. 10

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. Guillermo Arturo Vaquerano, 41 years old, non-married partner; there are four members in his family group. He resides in San Salvador; he counts on high school studies. He has run his micro enterprise for 16 years, which was established upon self initiative.

ENTERPRISE DATA:

Name : "TROQUELES GRAFICOS E IMPRESOS ", it is part of the printing sector. It was established in San Salvador in 1985. His present sales are \$5,714.29 dollars (¢ 50.000.00 colones) a month. This Enterprise is classified as Micro Top, or Extended Accumulation.

TRAINING RECEIVED:

He was invited by ACOASEIG to participate of the course ADMINISTRATIVE MANAGERIAL ASPECTS (ASPECTOS GERENCIALES ADMINISTRATIVOS); at Marriot Hotel. The course lasted three days and it cost \$91.43dollars (¢ 800.00 colones), personally paid.

TRAINING IMPACT:

In his opinion, the training received offered him the appliance of the new techniques, and his income per sales has increased. He is interested in receiving other courses related with administrative aspects. He advises other colleagues to receive training courses. He thinks the instructors and the schedules are fine, but in relation to the recommendations, he feels that they are restrictive since not everybody has the money to obtain the equipment suggested during the seminar.

CASE No. 11

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. José Jacinto Rodríguez, 36 years old, married; there are six members in his family group. He resides in San Salvador; he counts on elementary school studies;. He has run his micro enterprise for 7 years, which was established upon self initiative.

ENTERPRISE DATA:

Name : "BEST PRINT ", it is part of the Printing sector. It was established in San Salvador in 1994. His present sales are no higher than \$5,714.29 dollars (¢ 50.000.00 colones) a month. This Enterprise is classified as Micro Top, or Extended Accumulation.

TRAINING RECEIVED:

He was invited by ACOASEIG to attend the course ADMINISTRATION AND ELABORATION AND SALES COST (ADMINISTRACION Y ELABORACION Y COSTOS DE VENTA), at CAMINO REAL HOTEL, and also at ACOASEIG; it lasted eight hours and it cost \$20dollars (¢ 175.00colones), which was a symbolic amount since part of it was paid by the cooperative.

TRAINING IMPACT:

In his opinion, the training received has helped him to organize his files in a better way; it has also helped him in technical aspects such as the maintenance of the machinery. He has also observed that his employees are better organized and they keep a better control. He is interested in receiving other courses related with administrative aspects. He would also recommend his colleagues to receive training courses. The instructors, the methodology and the schedules were excellent.

CASE No. 12

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. Ricardo Javier Oyarbide, 36 years old, married; there are three members in his family group. He resides in San Salvador, and he is a third-year Industrial Engineering student. He has run his own enterprise for 7 months, which he established upon self initiative.

ENTERPRISE DATA:

Name: "EXOTIC CAR WASH", it offers Carwash services. It was established in San Salvador in February, 2001. His present sales are not over the \$1,714.29 USA dollars (¢ 15.000.00 colones) a month. It can be classified within the Subsistence segment with an income higher than a minimum wage. (Higher than \$144 dollars a month) (¢ 1,260 colones).

TRAINING RECEIVED:

He found out about the courses offered by FEPADE in the newspaper. He received the FINANCIAL ASPECTS and STRATEGY PLANNING seminars (ASPECTOS FINANCIEROS Y PLANEACION ESTRATEGICA) at FEPADE. The courses lasted a week and they cost \$285 dollars (¢2.500.00 colones), paid on his own.

TRAINING IMPACT:

In his opinion, the training received has helped him to plan the work better, to face the competition and understand the finances better. Besides, his income on sales has increased. He has also observed his employees' discipline improvement. He would like to receive other courses on administration aspects. He would also recommend his colleagues to receive training as himself. He thinks the schedules, the instructors and the methodology are fine.

CASE No. 13

MICRO ENTREPRENEUR'S GENERAL DATA:

Miss Claudia Urias, 21 years old, single; she resides in San Salvador; she is a third-year Enterprise Administration student. She works in her own enterprise, established approximately 20 years ago, and which is constituted by a family group.

ENTERPRISE DATA:

Name : "LACTEOS MONTEVERDE", it is part of the dairy products sale sector. It was established in San Salvador in 1980. The average of her present sales is \$3,428.57 dollars (¢30.000 colones) a month. This enterprise belongs to the Simple Accumulation Segment.

TRAINING RECEIVED:

She found out about the courses offered by FEPADE in the newspaper. She received the INNOVATION ON THE COMPETITIVENESS EFFECT IN THE MICRO ENTERPRISE seminar (INNOVACION EN EL EFECTO DE LA COMPETITIVIDAD

EN LA MICRO EMPRESA), at the Camino Real Hotel. It had a duration of eight hours, and it was free.

TRAINING IMPACT:

She opines that the training received has helped her to train her employees better, so that they can fulfill the technical aspects more efficiently. This has also helped her to innovate and diversify her sales and to improve the quality of her products. She would be interested in receiving other courses. She also recommends other colleagues to take training courses. She thinks the instructors, the methodology and the schedules were fine.

CASE No. 14

MICRO ENTREPRENEUR'S GENERAL DATA:

Mrs. Fátima de Minero, 35 years old, married; there are three members in her family group. She resides in San Salvador. She is a third-year Psychology student. She has worked in her micro enterprise for 5 years.

MICRO ENTREPRISE DATA:

Name : “ SUPER CAROLINA “; it belongs to the Commerce sector. It was established in San Salvador in 1996. Her present sales are not over the \$3,428.57 dollars (¢ 30.000.00 colones) a month. This can be classified within the Simple Accumulation segment.

TRAINING RECEIVED:

She was invited to the COMMERCIALIZATION (COMERCIALIZACION) course by the COCA COLA Company, and the support of INSAFORP. It took place at the facilities of the Feria Internacional and it had a duration of eight hours; it was free.

TRAINING IMPACT:

She opines that the training received has helped her improve the attention to the customers, and to have a better knowledge of the prices of the products. She would be interested in receiving other courses on how to improve sales and income. She recommends other colleagues to take training courses. The instructors, schedules and the methodology are fine for her.

CASE No. 15

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. Juan Carlos Trigueros, 27 years old, married; there are four members in his family group. He resides in San Salvador; he has High school studies. He has run his micro enterprise for eight months, which he established upon self initiative.

ENTERPRISE DATA:

Name : "EXTREME CAR WASH "; he offers car wash services. It was established in San Salvador in January, 2001. His present sales average \$1,714.29 dollars (¢15.000.00 colones) a month. It can be classified within the Subsistence segment with an income higher than a minimum wage (Higher than \$144 dollars a month) (¢ 1,260 colones)

TRAINING RECEIVED:

He found out about the course offered by INSAFORP in the newspaper. He received the CUSTOMER'S ATTENTION course (SERVICIO AL CLIENTE) at FUSAL. The course lasted two days, and it cost \$40 dollars (¢ 350.00 colones).

TRAINING IMPACT:

In his opinion, the training received has helped him to have a better relationship with his customers. He would be interested in receiving other courses related with sales increase. He would recommend other colleagues to prepare themselves. He thinks that the instructors, the methodology and schedules are fine.

CASE No. 16

MICRO ENTREPRENEUR'S GENERAL DATA:

Ms. Irma Argueta, 30 years old, single; there are two members in her family group. She resides in San Salvador; she counts on High school studies, and has run her micro enterprise for 2 years. It was established upon self initiative.

ENTERPRISE DATA:

Name "MARTIN-ESTILISTA "; it offers beauty saloon services. It was established in San Salvador in 1999. Her present sales range \$1,714.29 dollars (¢15.0000.00 colones) a month. It is classified within the Subsistence segment with an income higher than a minimum wage. (Higher than \$144 dollars a month) (¢ 1,260 colones)

TRAINING RECEIVED:

She found out about the seminar BOOKKEEPING PRINCIPLES (PRINCIPIOS DE CONTABILIDAD) offered by the Chamber of Commerce in the newspaper. It had a duration of two days, and it cost \$34.29 dollars (¢300.00 colones).

TRAINING IMPACT:

In her opinion, from the training received she learned what bookkeeping is, theoretically. This applied to the micro enterprise has also helped her to obtain the costs in a better way. She would like to receive other courses on Marketing and Sales. She recommends other colleagues to qualify themselves as she did. The instructors and schedules were fine for her.

CASE No. 17

MICRO ENTREPRENEUR'S GENERAL DATA:

Mr. Salvador Larín, 48 years old, married; there are six members in his family group. He resides in Sonsonate, and counts on High school studies. He has run his micro enterprise for 23 years, which was established upon self initiative.

ENTERPRISE DATA:

Name : "COOPERATIVA YUTATHUI DE R.L.", it belongs to the Dairy Products and Meat sector; it was established in Sonsonate in 1978. His present sales are not higher than \$3,428.57 dollars (¢30.000.00 colones) a month.

TRAINING RECEIVED:

He was invited to the courses by CONACYT, INSAFORP, FEPADE; he received the courses FIVE S, TOTAL QUALITY AND MARKETING (CINCO S, CALIDAD TOTAL y MERCADEO), at FUSAL and MARRIOT HOTEL. The courses lasted four days, and the cost was \$171.43 dollars. (¢ 1.500.00 colones).

TRAINING IMPACT:

He opines that the training received has helped him not only to know more but also to update his knowledge on administration. He has also observed different technical and operational changes in relation to the tools ordering, a better quality search and competitive prices. He would be interested in receiving other courses, but on technical aspects and dairy products management. He also recommends his

colleagues to receive training. Both the instructors and the schedules are very good for him.

CASE No. 18

MICRO ENTREPRENEURS' GENERAL DATA :

Mr. Emilio Antonio Córdova, 45 years old, married, there are four members in his family group. He resides in San Salvador, and counts on High school studies. He has run his micro enterprise for 27 years, which was established upon self initiative.

ENTERPRISE DATA:

Name : "MOLDURAS EMILIO ", it belongs to the Diplomas and picture framing services sector. It was established in San Salvador in 1974. His present sales are no higher than \$3,428.57 dollars (¢ 30.000.00 colones) a month. This enterprise is classified within the Simple Accumulation Segment.

TRAINING RECEIVED:

He found out about the courses offered by FUSADES-PROPEMI in the newspaper. He received the FREE ENTERPRISE FUNDAMENTALS and BOOKKEEPING BASIC PRINCIPLES seminars (BEDEL – Bases Esenciales De Libre Empresa y Principios Básicos de Contabilidad), at FUSADES; it has a duration of three months; it was free.

TRAINING IMPACT:

The training received helped him improve the planning of his work. Concerning the technical aspect, he learned about a different kind of machinery which helped him increase his sales and income. His employees also learned to treat customers better, and feel more self-confident on their job. He would be interested in receiving other courses on operational aspects. He recommends other colleagues to receive training as he has done. The methodology and the contents were fine, but the schedules should be programmed on weekends.

Appendix “B”

Glossary of Terms Used:

Andragogía: Adult's Education^s.

Illiterate: Population of 10 years of age or more who do not know how to read or write.

Formal Education: It is the education received by the individual starting from kindergarten, elementary school, high school, high-university and non-university studies. According to contemporary experts in pedagogy, it is to provide learners with the basic knowledge of the culture.

Professional Formation: It is defined as a process of transference, reception, analysis and discussion of knowledge in a back and forth process between teacher-student. The professional formation is closely related to the productive field, and its main purpose is to generate skills and abilities in the individual so that they can improve in the production technical field. Professional formation is part of the individual's formal education.

Household: People or group of people joined together by family or friendship ties who share both the same house and a common alimentary budgetary administration.

Income: Total amount received during a set period of time whether paid in specie or money, or from other sources such as commissions, allowances, income, remittances, family aid, pensions, pensions off, interests, rent, donations, utilities, and others.

Employees: Working people who have a remunerable job, or who works in a family establishment without receiving a salary for it.

ITO: International Trade Organization.

Labor Force (PET, Spanish acronym): Also called working population. There are included people from 10 years of age or more, who according to the national reality are apt to work.

^s Education for illiterate adults.

Working Population (PEA, Spanish acronym): Population group constituted by people who being within the working age form part of the labor force by having a job or by looking for it actively.

Total Population: Inhabitants who reside in private households in different regions of the country.

Salary: Payment received whether money or in specie at fixed intervals: weekly, fortnightly, or monthly for work or services offered. The proportional Christmas box and the commissions will be part of the salary.

Informal Sector: trade market segment integrated by salaried people and family workers employed in establishments with less than five employees. Also workers on their own, and enterprise proprietors with less than 5 workers under his/her charge, carrying out professional, technical managerial and administrative tasks.

Formal Sector: Trade market segment integrated by salaried and employed people in establishments with 5 or more workers; and workers on their own, enterprise proprietors with 5 or less employees carrying out professional, technical, administrative and managerial tasks.

Appendix “C”

Suggestions to incorporate some questions in the household survey instrument.

Section 2: Education Characteristics.

1. Derived from question 203: Are you studying, or do you go to a maternal center, or to a nursery school? The negative answer is suggested which follows the sequence to No. 221; include in that question (221): Why aren't you studying? The options: “I'm not interested”; “I can't because of my job” and “I do not consider it necessary”. There could be the option “Needs working”, but it would be advisable to separate the proprietor from the salaried class, which would be better expressed directly with this answer option.
2. In the same section 2, Education Characteristics, include in the instrument, question 206, the option “Distance Education”, which could be attended by the micro entrepreneur since it does not interrupts his/her working schedule because it is either Saturdays or Sundays.
3. For people who have key 2, in 203, include the question: Are you planning to study in the future? With level options, for example: (if the answer is yes), elementary education, high school, no university higher education (technicians), university higher education, post-grade, training seminars and others.
4. Section 11 of the instrument; Micro enterprises, Training section, Include the questions: How did you find out about the training (got informed)? With the possible options: direct invitation; on the radio; in the newspaper, by other means.

(EHPM, Spanish acronym)

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